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8 **UNITED STATES DISTRICT COURT**

9 **CENTRAL DISTRICT OF CALIFORNIA**

10 **Western Division**

11
12 SECURITIES AND EXCHANGE
COMMISSION,

13 Plaintiff,

14 vs.

15 ESOS RINGS, INC.; and MICHELLE
16 SILVERSTEIN aka MICHELLE
SILVERSTEIN BISNOFF,

17 Defendants.
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Case No. 2:23-cv-7553

**CONSENT OF DEFENDANT ESOS
RINGS, INC.**

1 1. Defendant Esos Rings, Inc. (“Defendant”) waives service of a summons
2 and the complaint in this action, enters a general appearance, and admits the Court’s
3 jurisdiction over Defendant and over the subject matter of this action.

4 2. Without admitting or denying the allegations of the complaint (except as
5 provided herein in paragraph 12 and except as to personal and subject matter
6 jurisdiction, which Defendant admits), Defendant hereby consents to the entry of the
7 final Judgment in the form attached hereto (the “Final Judgment”) and incorporated
8 by reference herein, which, among other things:

9 (a) permanently restrains and enjoins Defendant from violation of
10 Section 17(a) of the Securities Act of 1933 (“Securities Act”) and
11 Section 10(b) of the Securities Exchange Act of 1934 (“Exchange
12 Act”) and Rule 10b-5 thereunder; and

13 (b) orders Defendant to pay disgorgement in the amount of \$566,483
14 plus prejudgment interest thereon in the amount of \$46,836.

15 3. Defendant acknowledges that the civil penalty paid pursuant to the Final
16 Judgment may be distributed pursuant to the Fair Fund provisions of Section 308(a)
17 of the Sarbanes-Oxley Act of 2002. Regardless of whether any such Fair Fund
18 distribution is made, the civil penalty shall be treated as a penalty paid to the
19 government for all purposes, including all tax purposes. To preserve the deterrent
20 effect of the civil penalty, Defendant agrees that it shall not, after offset or reduction
21 of any award of compensatory damages in any Related Investor Action based on
22 Defendant’s payment of disgorgement in this action, argue that it is entitled to, nor
23 shall it further benefit by, offset or reduction of such compensatory damages award
24 by the amount of any part of Defendant’s payment of a civil penalty in this action
25 (“Penalty Offset”). If the court in any Related Investor Action grants such a Penalty
26 Offset, Defendant agrees that it shall, within 30 days after entry of a final order
27 granting the Penalty Offset, notify the Commission’s counsel in this action and pay
28 the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as

1 the Commission directs. Such a payment shall not be deemed an additional civil
2 penalty and shall not be deemed to change the amount of the civil penalty imposed in
3 this action. For purposes of this paragraph, a “Related Investor Action” means a
4 private damages action brought against Defendant by or on behalf of one or more
5 investors based on substantially the same facts as alleged in the Complaint in this
6 action.

7 4. Defendant agrees that it shall not seek or accept, directly or indirectly,
8 reimbursement or indemnification from any source, including but not limited to
9 payment made pursuant to any insurance policy, with regard to any civil penalty
10 amounts that Defendant pays pursuant to the Final Judgment, regardless of whether
11 such penalty amounts or any part thereof are added to a distribution fund or otherwise
12 used for the benefit of investors. Defendant further agrees that it shall not claim,
13 assert, or apply for a tax deduction or tax credit with regard to any federal, state, or
14 local tax for any penalty amounts that Defendant pays pursuant to the Final
15 Judgment, regardless of whether such penalty amounts or any part thereof are added
16 to a distribution fund or otherwise used for the benefit of investors.

17 5. Defendant waives the entry of findings of fact and conclusions of law
18 pursuant to Rule 52 of the Federal Rules of Civil Procedure.

19 6. Defendant waives the right, if any, to a jury trial and to appeal from the
20 entry of the Final Judgment.

21 7. Defendant enters into this Consent voluntarily and represents that no
22 threats, offers, promises, or inducements of any kind have been made by the
23 Commission or any member, officer, employee, agent, or representative of the
24 Commission to induce Defendant to enter into this Consent.

25 8. Defendant agrees that this Consent shall be incorporated into the Final
26 Judgment with the same force and effect as if fully set forth therein.

27 9. Defendant will not oppose the enforcement of the Final Judgment on the
28 ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of

1 Civil Procedure, and hereby waives any objection based thereon.

2 10. Defendant waives service of the Final Judgment and agrees that entry of
3 the Final Judgment by the Court and filing with the Clerk of the Court will constitute
4 notice to Defendant of its terms and conditions. Defendant further agrees to provide
5 counsel for the Commission, within thirty days after the Final Judgment is filed with
6 the Clerk of the Court, with an affidavit or declaration stating that Defendant has
7 received and read a copy of the Final Judgment.

8 11. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims
9 asserted against Defendant in this civil proceeding. Defendant acknowledges that no
10 promise or representation has been made by the Commission or any member, officer,
11 employee, agent, or representative of the Commission with regard to any criminal
12 liability that may have arisen or may arise from the facts underlying this action or
13 immunity from any such criminal liability. Defendant waives any claim of Double
14 Jeopardy based upon the settlement of this proceeding, including the imposition of
15 any remedy or civil penalty herein. Defendant further acknowledges that the Court's
16 entry of a permanent injunction may have collateral consequences under federal or
17 state law and the rules and regulations of self-regulatory organizations, licensing
18 boards, and other regulatory organizations. Such collateral consequences include, but
19 are not limited to, a statutory disqualification with respect to membership or
20 participation in, or association with a member of, a self-regulatory organization. This
21 statutory disqualification has consequences that are separate from any sanction
22 imposed in an administrative proceeding. In addition, in any disciplinary proceeding
23 before the Commission based on the entry of the injunction in this action, Defendant
24 understands that it shall not be permitted to contest the factual allegations of the
25 complaint in this action.

26 12. Defendant understands and agrees to comply with the terms of 17 C.F.R.
27 § 202.5(e), which provides in part that it is the Commission's policy "not to permit a
28 defendant or respondent to consent to a judgment or order that imposes a sanction

1 while denying the allegations in the complaint or order for proceedings,” and “a
2 refusal to admit the allegations is equivalent to a denial, unless the defendant or
3 respondent states that he neither admits nor denies the allegations.” As part of
4 Defendant’s agreement to comply with the terms of Section 202.5(e), Defendant: (i)
5 will not take any action or make or permit to be made any public statement denying,
6 directly or indirectly, any allegation in the complaint or creating the impression that
7 the complaint is without factual basis; (ii) will not make or permit to be made any
8 public statement to the effect that Defendant does not admit the allegations of the
9 complaint, or that this Consent contains no admission of the allegations, without also
10 stating that Defendant does not deny the allegations; (iii) upon the filing of this
11 Consent, Defendant hereby withdraws any papers filed in this action to the extent that
12 they deny any allegation in the complaint; and (iv) stipulates solely for purposes of
13 exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C.
14 §523, that the allegations in the complaint are true, and further, that any debt for
15 disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant
16 under the Final Judgment or any other judgment, order, consent order, decree or
17 settlement agreement entered in connection with this proceeding, is a debt for the
18 violation by Defendant of the federal securities laws or any regulation or order issued
19 under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C.
20 §523(a)(19). If Defendant breaches this agreement, the Commission may petition the
21 Court to vacate the Final Judgment and restore this action to its active docket.
22 Nothing in this paragraph affects Defendant’s: (i) testimonial obligations; or (ii) right
23 to take legal or factual positions in litigation or other legal proceedings in which the
24 Commission is not a party.

25 13. Defendant hereby waives any rights under the Equal Access to Justice
26 Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other
27 provision of law to seek from the United States, or any agency, or any official of the
28 United States acting in his or her official capacity, directly or indirectly,

1 reimbursement of attorney's fees or other fees, expenses, or costs expended by
2 Defendant to defend against this action. For these purposes, Defendant agrees that
3 Defendant is not the prevailing party in this action since the parties have reached a
4 good faith settlement.

5 14. Defendant agrees that the Commission may present the Final Judgment
6 to the Court for signature and entry without further notice.

7 15. Defendant agrees that this Court shall retain jurisdiction over this matter
8 for the purpose of enforcing the terms of the Final Judgment.

9
10 Dated: Esos Rings, Inc.

11
12 By: Michelle Silverstein
13 Michelle Silverstein
14 Chief Executive Officer

15 On August 29th, 2023, Michelle Silverstein, a person known to
16 me, personally appeared before me and acknowledged executing the foregoing
17 Consent with full authority to do so on behalf of Esos Rings, Inc as its
18 CEO.

19
20 Scott Daniel Haynes
21 Notary Public
22 Commission expires: 10/15/2026



23
24 Approved as to form:

25 Stephen Dunkle

26 Stephen Dunkle
27 Sanger Dunkle Law
28 222 E. Carrillo Street, Suite 300
Santa Barbara, CA 93101
(805) 962-4887
Attorney for Defendant

This remote notarial act involved the use of
communication technology.